



Police Secondary Employment Policy Development & Implementation

April 2013



OPSE Strategic Objective

Consistent with Mayor Landrieu's enduring commitment to reform the police paid detail system for the good of our city, we will move forward with the concrete steps necessary to begin a phased implementation of the new program.



Purpose

- Provide background information on the initial development of new police secondary employment policy
- Identify those policies and procedures that the consent decree requires
- Link ordinances to operational objectives
- Review anticipated budget



Part 1:

Understanding the Context

We Must Address Diverse Stakeholder Interests

Our Officers' Interests

- Additional income that families have come to count on
- Stability of family routines
- Fair access to secondary work opportunities
- Retention and recruiting
- Maintaining great customer relationships



Our City's Interests

- Provide a valuable service to citizens
- Transparency
- Avoid corruption or the perception of it
- Recoup cost of police secondary work execution & management
- Satisfy all legal requirements and comport with existing law
- Enable the NOPD to address tough crime issues with fewer City resources



The Public's Interests

- Restoration of trust in NOPD and City government
- Transparency
- Assurance that tax dollars are well spent
- Fair access to all city services, without having to pay extra for them
- A well-trained, fairly-paid, accountable police force



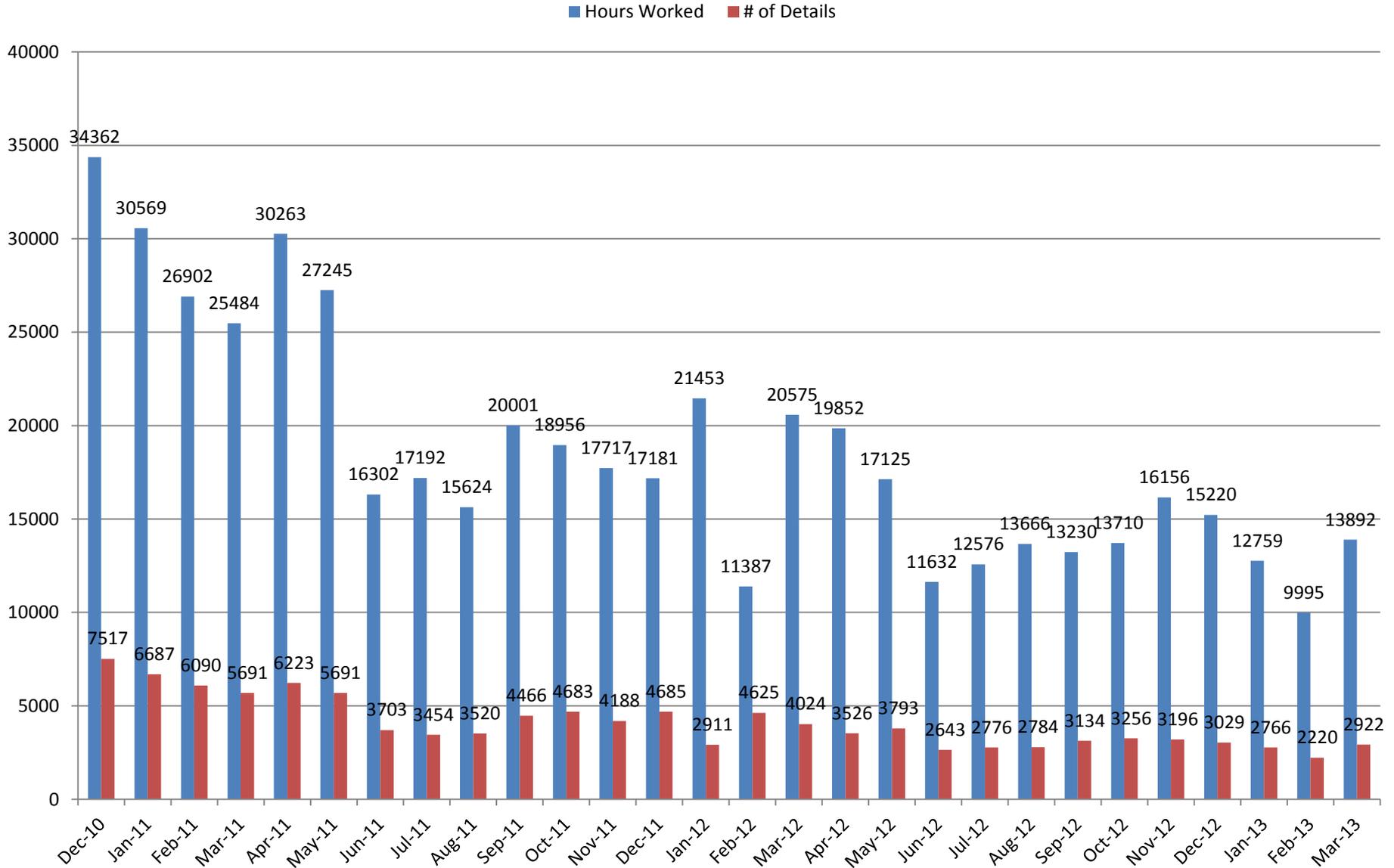
Our Customers' Interests

- Access to a fairly-priced, high value, effective service
- Freedom from improper pressure to pay for a service
- Expectation of great customer service
- Ability to plan and budget with predictability
- Maintain business continuity through long-developed relationships with officers



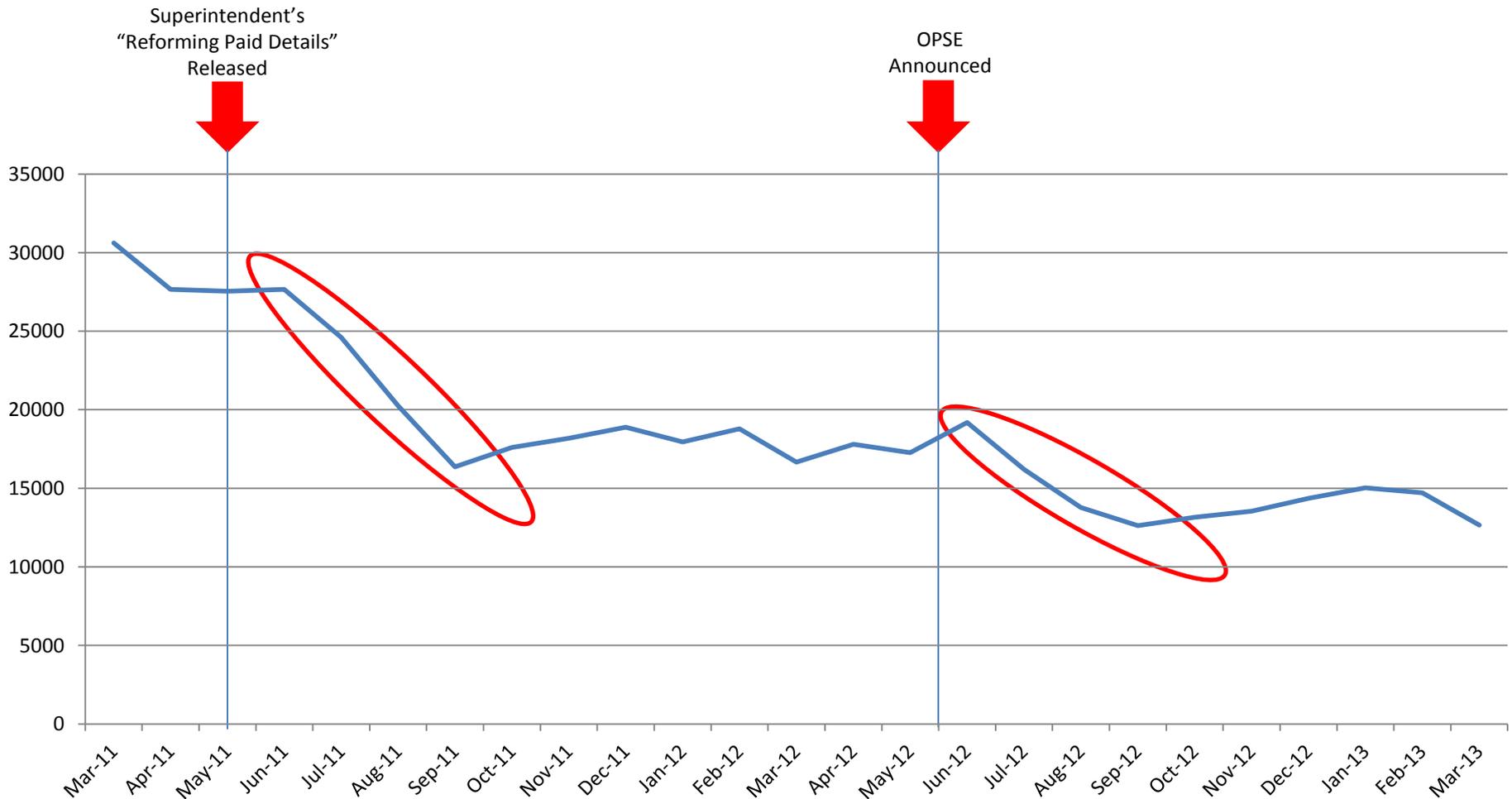


Declining NOPD Secondary Work Opportunities Since DEC 2010





3-Month Moving Average – Hours Worked



NOPD Officers are working fewer and fewer secondary employment hours



Why Are Hours Drying Up?

- Customer uncertainty about the coming changes:
 - *“I want to use NOPD, I just don’t know what’s going to happen with the new system.”*
 - a local movie location manager
 - *“We need a formalized system that’s consistent and predictable.”*
 - a local hospitality director

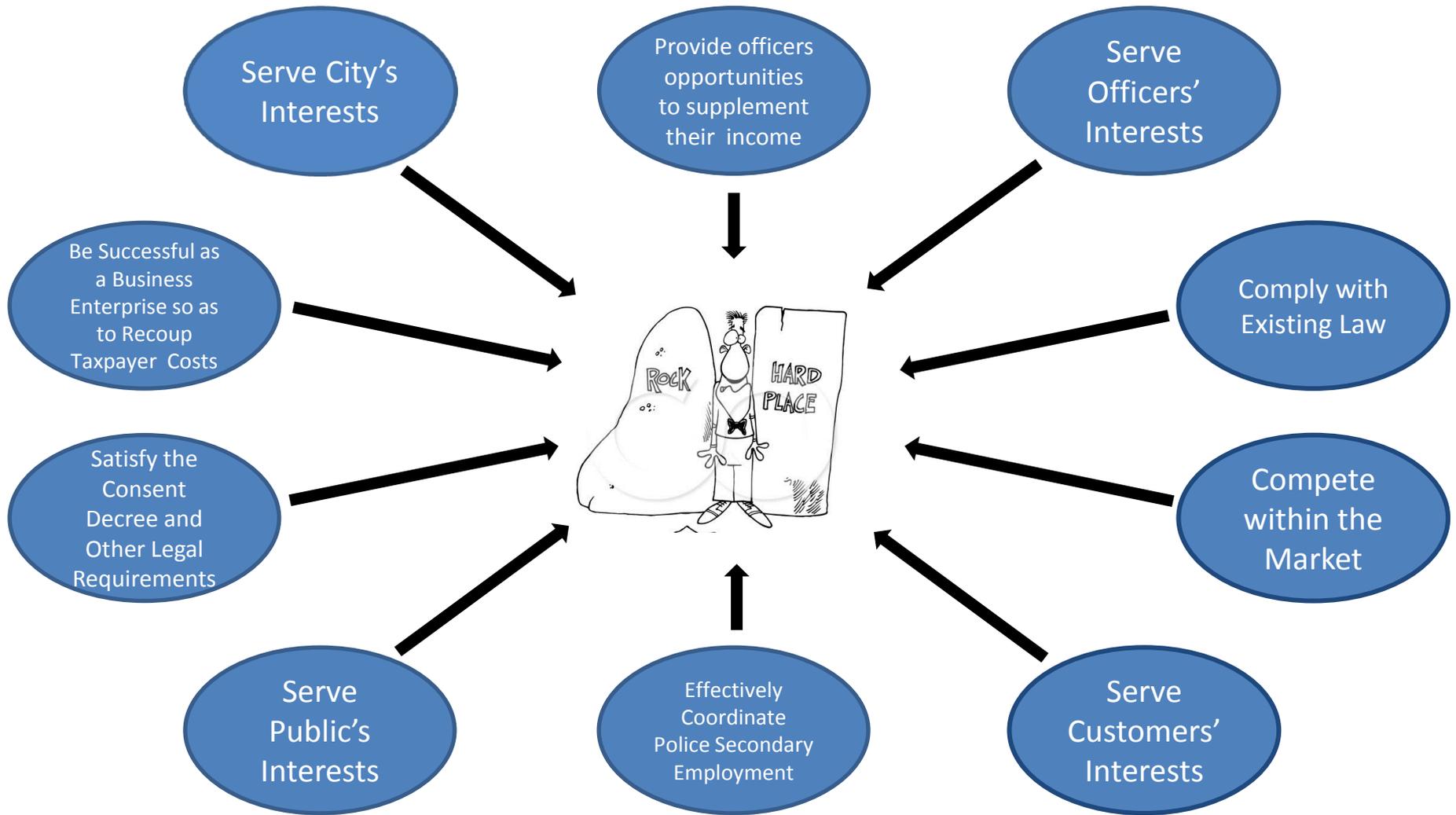


We Must Compete in the Existing Market

- A market for supplemental security services has developed in New Orleans as the city has become a world-class event destination. We have to compete in this already-mature marketplace against competitors who are not bound by the policies of our new system. Other providers include:
 - Orleans Parish Sheriff deputies
 - Other Orleans Parish commissioned officers (court constables, Levee Board Police, Harbor Police)
 - Well-established private security companies
 - Newer private security LLCs with growing customer bases



The Forces that Shape Policy





Part 2:

Consent Decree Requirements



Consent Decree: Specific Requirements

Definitions:

- Major special event: Mardi Gras, Jazz Fest, Essence Fest, FQ Fest, Voodoo Fest, college bowl and championships, professional sporting events, and other events designated by the mayor, the CAO, the deputy mayor for public safety, the city attorney, the city council, or the NOPD superintendent (334.a)

Coordinating office (OPSE) characteristics:

- Shall be directed by an unclassified civil servant not a current or former NOPD employee (333)
- Shall employ a classified civil servant Major Special Events Coordinator who reports to the director (334)
- Other employees can not have worked for NOPD in the last two years (336)
- OPSE employee salaries are not tied to OPSE revenues from police secondary work (335)
- Can not be located in or adjacent to NOPD HQ or a district station or sub-station (337)
- Be able to accept information and make assignments 24 hours a day, 365 days a year (342)

The City shall:

- Develop and implement a new system (XVI.Intro)
- Establish a publicly available schedule of fees to offset the costs of the office, including administrative fees, hourly wage rates, and equipment costs. (348)

The NOPD shall:

- Advise all officers that attempting to circumvent or circumventing the secondary employment policy or the Coordinating Office shall subject officers to discipline as warranted, up to and including dismissal. (355)

The superintendent of police shall/may:

- Grant exceptions to the hour limitation for Major Special Events where manpower requirements are so intensive that sufficient resources may not be available for the safe operation of the event (364)



Consent Decree: Specific Requirements

The coordinating office (OPSE) shall:

- Have **sole authority** to arrange, coordinate, arrange fully-auditable payment, and perform all other admin functions (332)
- Within a year of the consent decree's effective date (10 Jan 14 is the one year deadline), maintain a searchable list of PSE opportunities accessible by NOPD employees (338)
- Maintain a roster of NOPD employees interested in working PSE jobs (339)
- Establish a rotation system that provides a fair and equitable number of PSE opportunities to all NOPD employees in consideration of their availability and preferences (340)
- Rotate NOPD employees on RSE jobs at least once a year (340)
- Exempt major special events, schools, churches, banks, and hospitals from the annual RSE rotation requirement (340)
- Fill all jobs according to consistently applied, written criteria. No officer-selected substitutes. (341)
- Remove NOPD employees from the PSE roster when they are performing unsatisfactorily, are under suspension, are on administrative reassignment, or have been charged with a crime (343)
- Develop a plan with NOPD to ensure supervisor in-person inspections of job sites (345)
- Collect and maintain a searchable database of all PSE jobs worked (347)
- Annually release to the public all information about number and ranks of officers working PSE, average number of hours worked by rank and district, OPSE salaries and operating costs, net and gross city revenues generated by PSE. (349)
- Notify potential employers of their responsibilities, including working through OPSE for all PSE needs, paying for work in advance, requiring that officers sign in and sign out of every shift, acknowledging that they may not provide any compensation, bonus, or gift, either payment or in-kind, to any officer, friend of officer, or relative of officer for PSE services. The one exception is a meal and beverages the officer consumes during a shift he or she is working, in accordance with the Louisiana Ethics Code for Public Employees. (352, 354)



Consent Decree: Specific Requirements

The coordinating office (OPSE) shall (continued):

- Establish a standard form by which NOPD employees can register to work secondary employment assignments. (356)
- When determining whether an NOPD employee qualifies to work PSE, consider NOPD work performance or in-good standing as a reserve officer, disciplinary record, level of experience, supervisory status. (356)
- Working with NOPD, determine the number of employees and supervisors necessary to work a secondary job, considering factors that include:
 - The anticipated number of people attending the function
 - Whether alcoholic beverages will be served
 - Whether the event is open to the public or is private/by invitation only
 - The location of the event
 - The history of the event and employer (369)
- Ensure the minimum supervisory requirements specified by the consent decree are met (370)
- Implement a system so that on-duty NOPD patrol supervisors are aware of each secondary job within that supervisor's geographical coverage area and the identity of each employee working each secondary job. (373)
- Implement a system so that each District shall have a current and historical record of all secondary employment worked in the District. (374)

The director shall/may:

- Determine when officers rotated out of RSE may return to that job (340)
- Grant an exception to the RSE annual rotation requirement if the job requires specialized knowledge or training (340)



Consent Decree: Specific Requirements

NOPD employees shall:

- Be required to comply with all NOPD policies governing PSE, including the completion of an NOPD Secondary Employment Authorization Form (344)
- Be POST certified, have completed FTO training (either through NOPD or another commissioned law enforcement agency, if a lateral hire), and have achieved civil service "Police Officer I" grade before they may work PSE unsupervised. (357, 358, 359)
- Be supervised by an officer in the rank of Sgt or above if the officer is POST certified and FTO trained but has not achieved the civil service grade of PO I. (358)
- After a period of absence in a restricted status, return to full duty status and have completed a full tour of duty prior to working a PSE job. (360)
- If serving as an active member of NOPD holding the rank of sergeant or lieutenant, be allowed to back-fill a police officer opening, but only at the hourly rate approved for the police officer position. (371)
- If an active member holding the rank of captain or above, only be allowed to fill open vacancies at a supervisory staffing level equivalent to a captain's position. (371)
- Supervise NOPD employees working PSE in the same manner as if they were working their primary employment. (372)
- If seeking to work PSE opportunities, submit a signed Secondary Employment Registration Form ("Registration Form") initially and annually thereafter to the Coordinating Office, acknowledging:
 - that he or she understands that working secondary employment is a privilege subject to strict criteria
 - that he or she represents NOPD while working secondary employment
 - that he or she must abide by all NOPD policies while working secondary employment
 - that he or she may be disciplined by NOPD for policy violations committed while working PSE (367)
- Have the same responsibility to carry appropriate departmental equipment (e.g., police radios) and document their activities in the same manner as if they were on-duty, including completing incident, arrest, and use-of-force reports, and reporting allegations of misconduct or observed misconduct. (368)



Consent Decree: Specific Requirements

NOPD employees shall (continued):

- If a member in good standing of the Reserve Division, be allowed to register for and work PSE assignments through the OPSE, given the following limitations and restrictions:
 - Plain clothes secondary employment coordinated through the Coordinating Office must be approved by the Superintendent or his designee prior to allowing any Reserve officer to work in plain clothes;
 - Reserve officers shall not work secondary employment for their current employer or for anyone for whom they have worked full time during any period within two years of the Effective Date;
 - Reserve officers shall not work secondary employment during the first year after graduation from the Reserve Police Academy;
 - Reserve officers who volunteer a minimum of 36 hours in a calendar month are eligible to work a maximum of 28 hours in secondary employment during the following calendar month (e.g., a reserve officer who volunteers 36 hours in August would be eligible to work a maximum of 28 hours of secondary employment in September);
 - Reserve officers who volunteer a minimum of 40 hours in a calendar month will be eligible to work a maximum of 32 hours of secondary employment during the following calendar month;
 - Reserve ranking officers are not authorized to approve secondary employment. All request forms shall be submitted to the Commander of the Reserve Division for approval and forwarding through the chain of command;
 - Reserve officers shall attach a copy of their monthly time report to their secondary employment authorization request form;
 - Reserve officers shall follow all policies and procedures of NOPD, the NOPD Reserve Division and this Agreement while working secondary employment; and
 - Reserve officers are prohibited from coordinating secondary employment for any member of the Department, either regular or reserve members. Reserve officers are also prohibited from individually or cooperatively coordinating secondary employment and the collection of fees for secondary employment contracted through the Coordinating Office. (366)



Consent Decree: Specific Requirements

Prohibitions:

- NOPD employees shall not supervise another NOPD employee of higher rank. (346)
- Travel time to and from PSE jobs shall not be compensated unless the travel requires the use of special patrol services or specialized equipment. (353)
- NOPD employees shall not solicit PSE employment or compensation. (354)
- NOPD employees shall not be authorized to work PSE without registering with the Compliance Section and obtaining authorization from his or her chain of command. (356)
- Regardless of prior approval, members shall not engage in secondary employment while absent in the following status: sick; Injured On-Duty; Worker's Compensation; Maternity Leave; Leave Without Pay; or Suspended or under Administrative Reassignment with a restricted police commission. (360)
- NOPD employees shall not be allowed to work PSE for City departments and agencies. Instead, departments and agencies shall cover compensation for employees through authorized City reimbursement procedures. (361)
- NOPD employees are prohibited from working PSE in, for, or as any of the following:
 - alcoholic beverage outlets as defined under NOPD policy
 - private investigations
 - chauffeur services, except where chauffeur services to public officials, executives or celebrities is secondary to a primary purpose of security (notwithstanding the foregoing prohibition, motorcycle escorts for chauffeur services and limousines are permitted)
 - sexually oriented businesses
 - civil process servers
 - pawn shops. (362)
- NOPD employees are prohibited from working more than 24 hours per seven-day work week (Sunday through Saturday). Exceptions to the hour limitation may be granted for Major Special Events where manpower requirements are so intensive that sufficient resources may not be available for the safe operation of the event (e.g., Jazz Fest, Mardi Gras). (364)



Consent Decree: Specific Requirements

Prohibitions (continued):

- NOPD employees are prohibited from working PSE that would create a conflict with their official duties, including:
 - representing anyone before any court or agency of the City, with or without compensation, on a matter in which the City is a party or has a substantial interest
 - serving as an expert witness in his or her private capacity in any civil or criminal proceeding in which the City is a party or has a substantial interest
 - working secondary employment during court hours while the employee is under a conflicting subpoena
 - disclosing confidential information acquired in an official capacity to any secondary employer
 - using on-duty time to conduct investigations or take other law enforcement action on behalf of a secondary employer where there would be an actual conflict of interest or appearance of a conflict of interest
 - knowingly participating in, or soliciting the creation of, any corporation, company, trust, fund, or cooperative banking account for the purpose of billing, receiving compensation, or coordinating services of secondary employment
 - taking an assignment that will interrupt or occur during the employee's assigned on-duty NOPD shift. (363)
- NOPD employees, including Reserve officers, are prohibited from working more than 16 hours within a 24-hour period. (The 24-hour period begins the first time the employee reports for either regular duty or secondary employment allowing for a minimum of eight hours of rest within each 24-hour period.) These hours are cumulative and include normal scheduled work hours, overtime, off-duty secondary employment, and outside employment. (365)



Part 3:

Proposed Ordinances



Calendar Item 29,470

- Create an enterprise fund into which all police secondary employment revenues will flow and out of which costs associated with the program will be drawn
- Enterprise fund is segregated from the General Fund. Current budget not affected.



Calendar Item 29,471

- Establish the initial customer fee and officer pay schedule for police secondary employment. These rates will be monitored and evaluated during the test phase of implementation and adjustments may be proposed if required to meet program needs.



Part 4:

Policy Recommendations and Implementation Plan



Information About the Current System

In an effort to understand current local detail pay norms, OPSE informally surveyed 80 large and small customers from all identified market sectors. The data we gathered revealed:

- Average pay by rank
 - Patrol Officer: \$32.27
 - Sergeant: \$32.91
 - Lieutenant: \$33.20
 - Capt/Cmdr/Maj: \$33.43
- Average hourly rate of pay, all officers, all ranks: \$33.17
- Only 10% of jobs pay different rates for rank; 90% pay a straight single rate
- 31% of jobs pay a coordinator fee
- Average coordinator fee (paid one of three ways)
 - Weekly: \$119
 - Hourly: \$43
 - Percentage: 7.2% of total weekly cost of all officers scheduled



Proposed Initial Course of Action: Pricing & Pay Design

- Police secondary employment will be classified into two categories:
 - **Time-based** – those jobs that require a person, place, or thing to be secured for a known or estimated duration. This includes most facility or area security jobs (retail, neighborhood patrol, race route security, special events). Will be paid at standard hourly rates based on officer rank. If special equipment is requested for the job, equipment fees will be applicable. Those equipment fees will be set by the City Council later in 2013.
 - **Task-based** – those jobs that require a specific task to be accomplished. Time varies. This includes all traffic escort jobs (oversized loads, weddings, funerals, second lines). Manpower and equipment costs included in the per job flat rates.
- Lieutenants and sergeants will be able to “work down” into non-supervisory positions for the lower rate.
- Reserve officers may serve in any position for which they are qualified. If a reserve supervisor “works down” at the PO rate, he or she will be paid the PO rate for time-based jobs.



Proposed Initial Course of Action

Fee Schedule & Officer Pay: Time-Based Jobs

Time-based – those jobs that require a person, place, or thing to be secured for a known or estimated duration. This includes most facility or area security jobs (retail, restaurant, neighborhood patrol, school, church, hospital, race route security, special events).

Rank	Officer paid per hour	OPSE Admin Fee	Customer pays per hour
Maj/Commander/Capt	\$39	\$5	\$44
Lieutenant	\$35		\$40
Sergeant (or full-time Lt working down in Sgt role)*	\$32		\$37
Patrol Officer	\$29		\$34
Full time employed Lt or Sgt working in a non-supervisory role*	\$29		\$34
Reserve Officer any rank, working in a non-supervisory role	\$29		\$34

*Full time employed supervisors "working down" cannot be supervised by an officer of lower rank

\$5 OPSE admin fee on hourly rates. Covers office expenses, including management software, credit card and bank charges, staff salaries, and other expenses. The observed average admin fee across other similar departments is \$4.49.



Proposed Initial Course of Action

Fee Schedule & Officer Pay: Holiday Premium

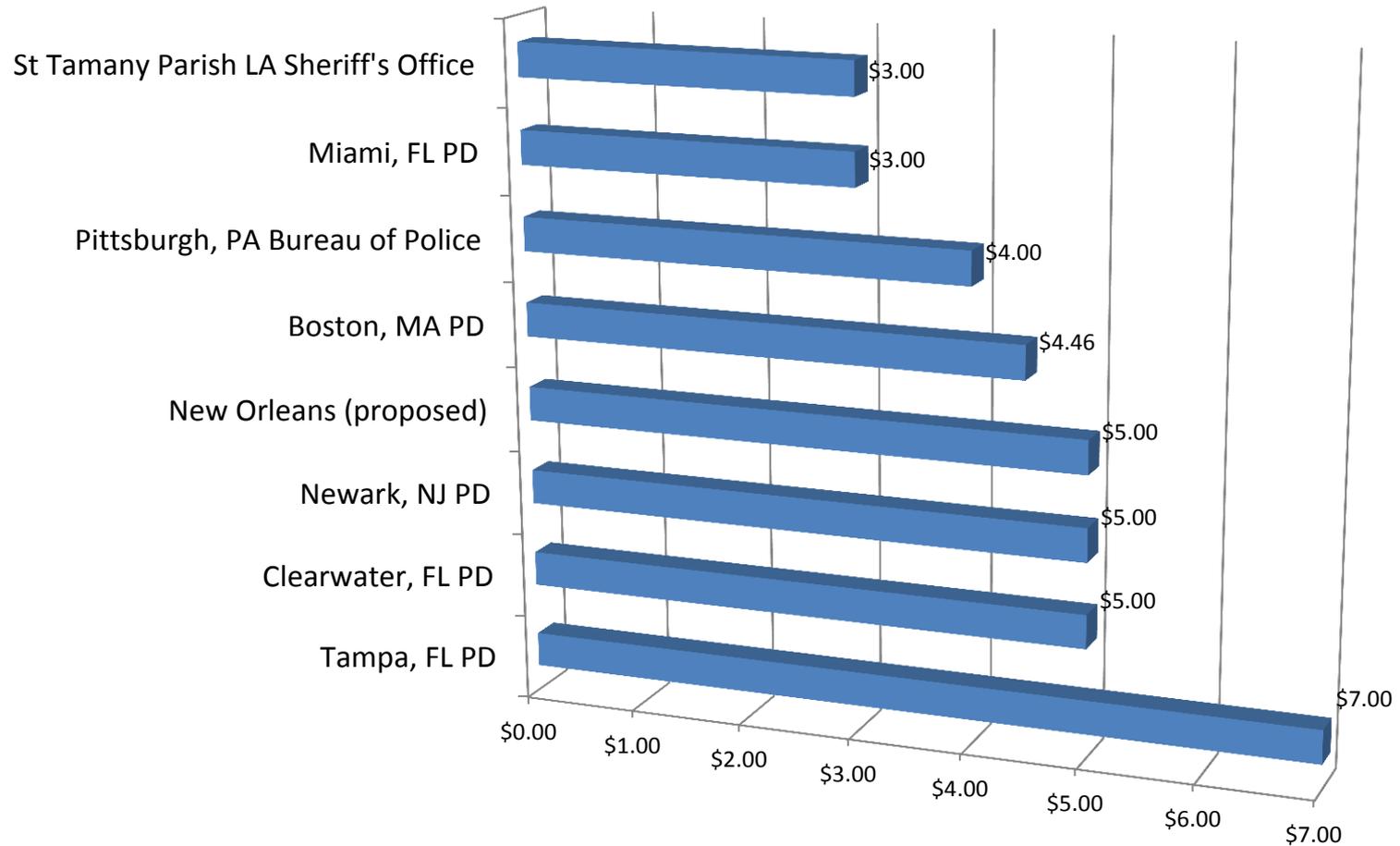
Holiday Premium – a flat rate paid in addition to an officer's hourly rate of pay for time-based secondary work and to be effective on family holidays and during other high-demand periods when officer availability is limited. This premium applies to all officers, regardless of rank, and does not incur any additional administrative fee.

Rank	Officer paid per hour	OPSE Admin Fee	Customer pays per hour
Maj/Commander/Capt	\$56	\$5	\$61
Lieutenant	\$52		\$57
Sergeant (or full-time Lt working down in Sgt role)	\$49		\$54
Patrol Officer	\$46		\$51
Full time employed Lt or Sgt working in a non-supervisory role	\$46		\$51
Reserve Officer any rank, working in a non-supervisory role	\$46		\$51

A holiday premium of \$17 per officer per hour will be added to the standard customer cost, and the full amount will be passed on to the officer as a \$17 per hour increase in officer pay. A City Council ordinance will establish the dates the Holiday Premium will be in effect.



Hourly Administrative Fee Comparison





Proposed Initial Course of Action

Fee Schedule & Officer Pay: Task-Based Jobs

Task-based – those jobs that require a specific task to be accomplished. Time varies. This includes all traffic escort jobs (oversized loads, weddings, funerals, second lines). Manpower and equipment costs will be included in the per job flat rates.

Task-based jobs will not be included in the initial test phase of the program. They will be phased-in in late 2013. Until phase-in, customers can continue to hire officers for task-based jobs in accordance with NOPD policy.



Proposed Initial Course of Action

Equipment Usage Fees

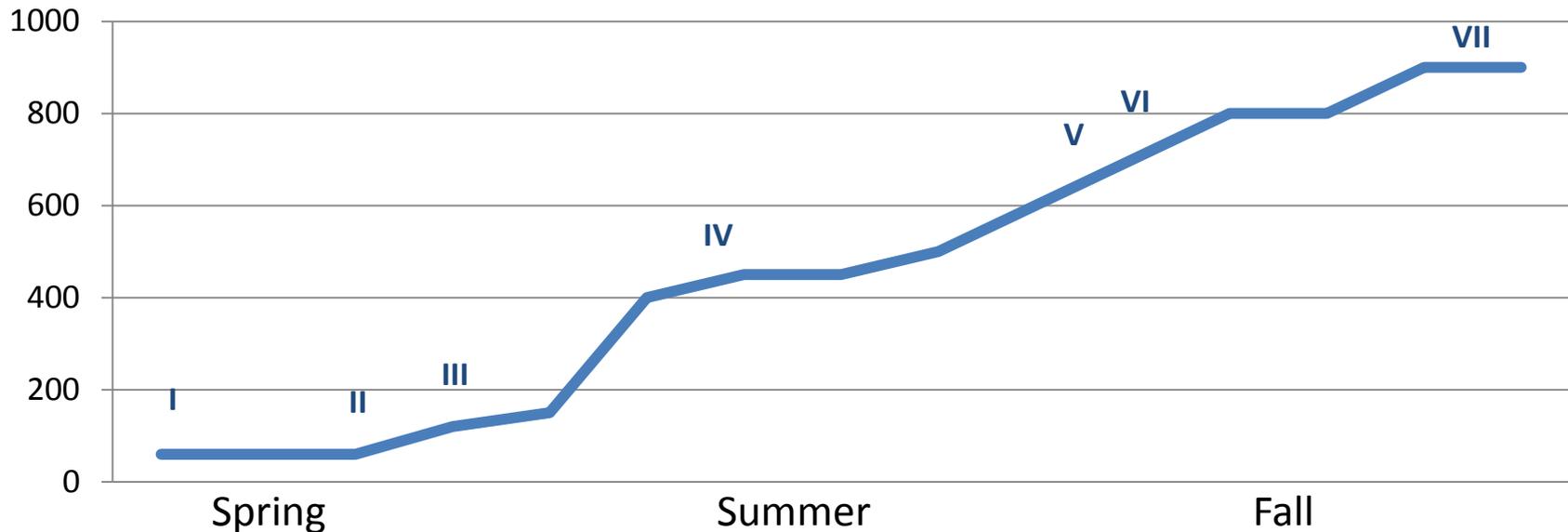
Equipment Usage Fees – Fees instituted to cover the actual operating and maintenance costs of equipment and animals used during police secondary employment. These fees are only applicable for time based jobs (oversized loads, weddings, funerals, second lines). Task-based jobs have equipment costs built into the single price.

Equipment fees will not be charged during the initial test phase of the program. They will be phased-in later in 2013.



2013 Phased Implementation Plan

Approximate Number of Officers Managed



Phase I: Alpha Test – 40-80 officers, no rotation, time-based jobs only, manual accounting, interim payroll service

Phase II: Software Implementation – Same conditions as Ph I, but using OPSE management software

Phase III: Scale Up – Same as Ph II, but managing more officers

Phase IV: Scale Up – Same as Ph III, but managing Saints games and schools

Phase V: Software Implementation - Same as Ph IV, but potentially using new city payroll

Phase VI: Scale Up - Same as Ph V, but taking on more market sectors & new jobs (oversize load escort, 2nd lines, funerals, weddings)

Phase VII: Full Implementation (all existing jobs, all new jobs, all officers)



Implementation Milestones

Assuming passage of enterprise fund and fee schedule ordinances in spring 2013, key milestones will be:

Spring 2013	Summer 2013	Fall 2013
<ul style="list-style-type: none"> • Identify test jobs • Notification of intent to award OPSE scheduling and management contract • Hire coordinators as needed • Begin Phase I, managing a small number of officers. No rotation. • RFP contract signed • Begin synchronized, phased marketing campaign • Policy finalized in conjunction with NOPD, consent decree monitor 	<ul style="list-style-type: none"> • Scheduling and management software configuration & testing • Synchronized transition of operations to OPSE scheduling and management software • Release and initiate market sector implementation plan • Hire coordinators as needed • Be prepared to manage all schools before start of 2013-2014 school year (8 Aug) • Be prepared to manage Superdome by Saints pre-season (9 Aug) 	<ul style="list-style-type: none"> • Add market sectors • Synchronized transition to new city payroll • Phase-in task-based jobs • Phase-in equipment fees



Part 5:

Budget



Budget Objectives

- Establish a customer price/officer pay/admin fee model that pays officers a rate that allows them to supplement their incomes, keeps customer costs competitive, and generates sufficient revenue to operate the office
- After a startup period, generate sufficient revenues to cover OPSE operating costs
- Recover taxpayer costs generated by police secondary employment that the City currently funds
- Keep administrative fee as low as possible, making only enough to cover costs and not more



Anticipated OPSE Budget

Personal Services vs. Other Operating

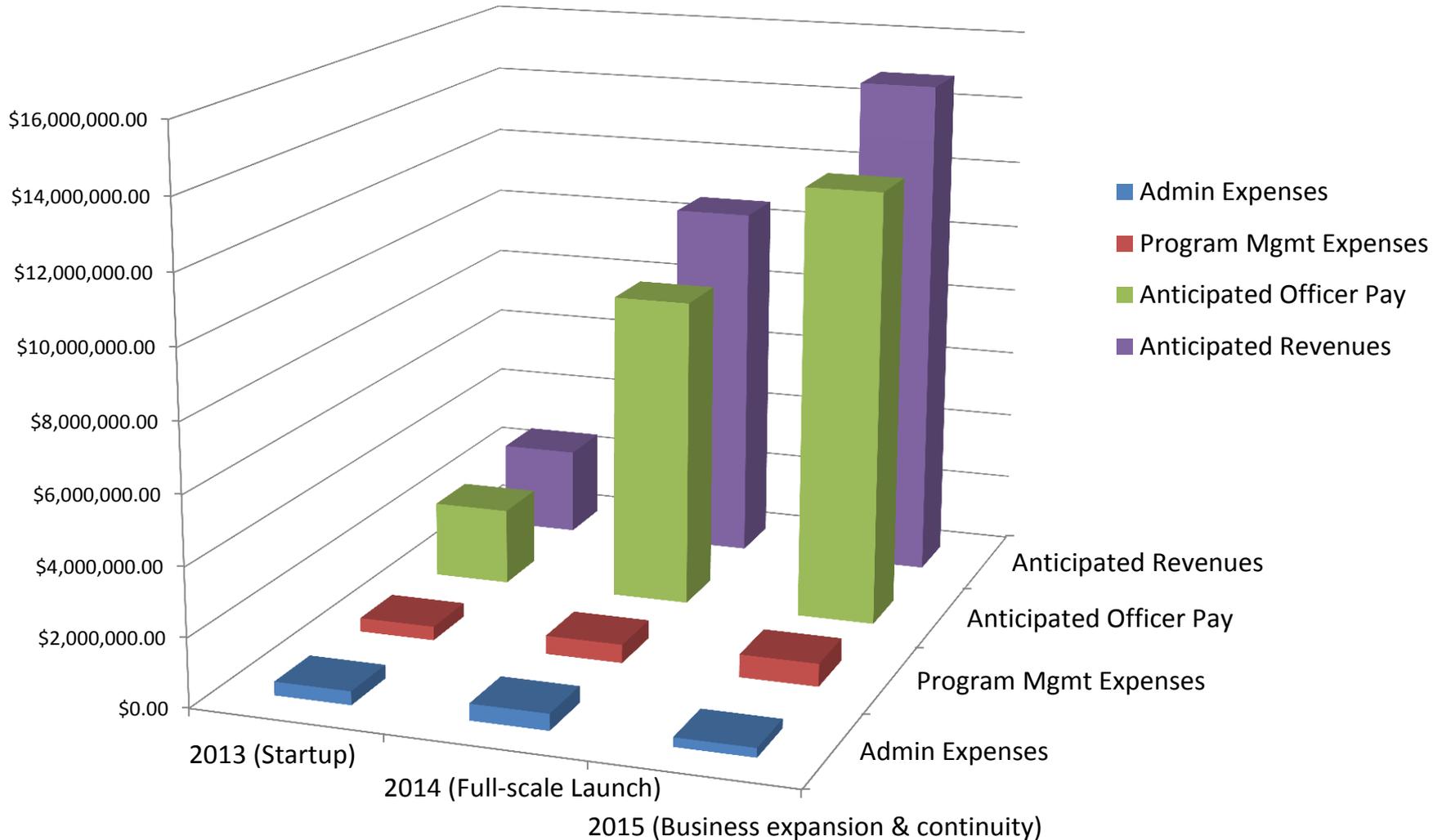
Year	Personal Services	%	Other Operating	%	Total Costs	Total Customer Payments	Anticipated Officer Pay
2013	\$571,232	71%	\$234,124	29%	\$805,356	\$2,565,246	\$2,251,662
2014	\$837,412	82%	\$185,590	18%	\$1,023,002	\$10,593,000	\$9,093,000
2015	\$673,416	72%	\$263,706	28%	\$937,122	\$14,830,200	\$12,730,200

Administrative vs. Program Management

Year	Admin Expenses	%	Program Mgmt Expenses	%	Total Costs	Total Customer Payments	Anticipated Officer Pay
2013	\$398,194	49%	\$407,162	51%	\$805,356	\$2,565,246	\$2,251,662
2014	\$482,740	47%	\$540,262	53%	\$1,023,002	\$10,593,000	\$9,093,000
2015	\$268,922	29%	\$668,200	71%	\$937,122	\$14,830,200	\$12,730,200



Admin Costs Kept to a Minimum





Questions